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U. S. DEPARTMENT OF AGRICULTURE

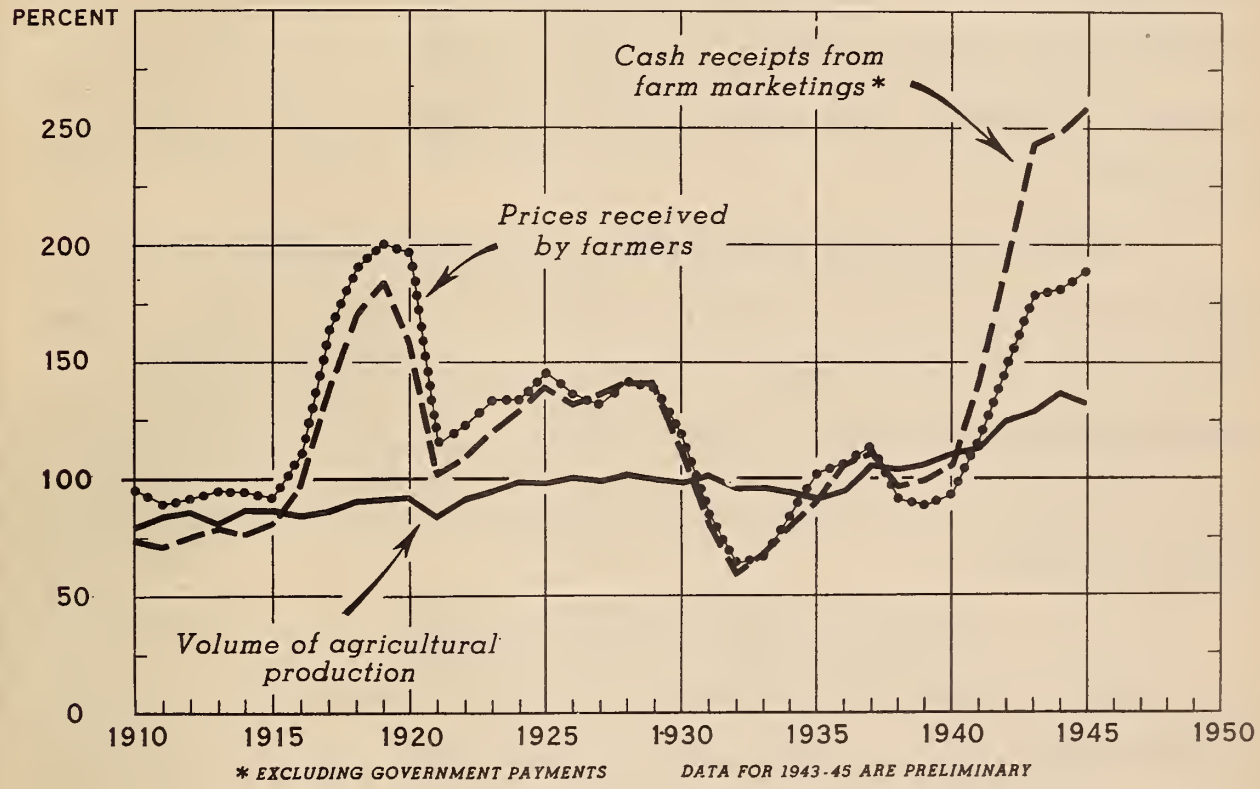
THE Farm Income SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

FIS-68 BAE SEPTEMBER 1945

AGRICULTURAL PRODUCTION, PRICES, AND CASH RECEIPTS, UNITED STATES, 1910-45

INDEX NUMBERS (1935-39=100)



U. S. DEPARTMENT OF AGRICULTURE NEG. 39408-A BUREAU OF AGRICULTURAL ECONOMICS

Prices received by farmers increased more rapidly from 1914 to 1919 than from 1939 to 1945, but the volume of production for sale or use in the farm home rose only 6 per cent during the earlier period whereas it increased nearly 25 per cent during the recent war years and gains in cash receipts, in the last 6 years have been much more pronounced than in the earlier period.

THE FARM INCOME SITUATION

Indications for October and November

Total cash receipts from farm marketings in October may be 15 to 20 percent above September, but probably will not equal the peak in October last year. Income from crops may be 20 percent higher than in September, with cash receipts from the late maturing cotton crop showing a greater than seasonal increase. The gain in cash receipts from livestock and livestock products will probably be somewhat less than usual, as the increase in income from meat animals may not be as great as in the past few years.

In November total cash receipts may drop 10 to 15 percent from the October levels, and may be as much as 10 percent below November 1944. Income from crops probably will be from 15 to 20 percent less than the previous month, as cash receipts from most crops decline seasonally. It is expected that cash receipts from livestock and livestock products will be about the same as in October.

Preliminary Estimates for September

Total cash receipts for September were about 2 billion dollars, 10 percent above August, and about the same as September 1944. The percentage gain in income from crops was somewhat less than last year. Cash receipts from cotton increased from August to September almost as much as in 1944, although immaturity of the crop in the northern part of the cotton belt is delaying harvesting somewhat. Relatively small marketings of apples kept September receipts from fruits at about the August level. Cash receipts from vegetables showed a greater decline from August than has occurred for the past few years, because of the postponement of potato marketing and a very severe drop in truck crop prices.

Cash receipts from livestock and livestock products in September declined about 5 percent, instead of remaining at about the same level as in August. The decrease was a result of lower prices for all types of meat animals except hogs. Cash receipts from poultry and eggs were about the same as in August, instead of increasing as they did last year.

For the first nine months of 1945, total cash receipts were about 14,330 million dollars, 3 percent above the income of 13,916 million dollars in 1944. Cash receipts from crops were about 16 percent greater than last year, with income from tobacco and the record wheat crop showing especially large gains. Cash receipts from livestock and livestock products were running about 5 percent below 1944, because of the decline in hog slaughter.

State and Regional Estimates for July and First Seven Months

Variations in cash receipts from crops by States and regions in July, compared with July 1944, were exceptionally large. Income from crops ranged from 8 percent below last year in the South Central Region to 76 percent above in the West North Central Region, with Nebraska showing the greatest increase in cash receipts from crops of any State in the country. Sales of wheat in all major producing States in the South Central Region were down, because of the drop in the production of winter wheat in this region in 1945 compared with 1944. Income from cotton also declined because of late maturity of the crop. In the West North Central Region, the production of winter wheat in 1945 rose sharply over 1944 and sales in all States made marked gains.

Moderate changes in income from livestock and livestock products occurred in July. Cash receipts in the Western Region fell 4 percent below last year, with income from hogs, butterfat, and calves dropping sharply. In the South Atlantic Region, rather pronounced increases in cash receipts from

broilers, especially in Delaware, and from eggs and milk, more than offset substantial reductions in cash receipts from hogs, so that income from livestock and livestock products rose 11 percent over 1944.

Gains were shown by cash receipts from crop for all regions during the first seven months, compared with the same period in 1944. The smallest increase, 4 percent, was in the East North Central Region. Income from wheat made marked gains in nearly all States in this region, but cash receipts from corn, cherries, and dry edible beans declined acutely. The greatest regional gain in cash receipts from crops was 39 percent in the West North Central Region. Cash receipts from wheat, corn and soybeans increased quite generally throughout the region.

Income from livestock and livestock products from January through July ranged from 12 percent below 1944 in the West North Central Region to 4 percent above in the North Atlantic Region. Cash receipts from hogs dropped precipitously in all States in the West North Central Region, and gains made by income from cattle, eggs, and milk, although marked, were small in comparison. In the North Atlantic Region, substantial increases in cash receipts from milk and eggs more than offset the rather severe declines in income from meat animals.

North Atlantic Region

Cash receipts from chickens, eggs, and milk, during July rose sharply in nearly all States in the region, to more than offset the decline in income from meat animals, and result in a gain of 6 percent over July 1944 in cash receipts from livestock and livestock products.

Outstanding increases in cash receipts from vegetables and tobacco accounted for most of the 12 percent rise in income from crops during the first seven months compared with the corresponding period last year. Rather sharp gains in poultry and eggs and milk more than made up for declines in

Table 1.- Monthly receipts from farm marketings, United States with comparisons

Source of receipts	Jan.-Aug. 1944	Jan.-Aug. 1945 1/	August 1944	July 1945 2/	August 1945 1/
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Receipts from farm marketings	11,961	12,343	1,690	1,805	1,828
All crops	4,277	5,065	777	870	903
Food grains	693	856	186	282	172
Feed grains and hay	708	846	91	115	140
Cotton and cottonseed	293	358	29	4	36
Oil-bearing crops	208	231	24	16	31
Tobacco	248	444	91	24	159
Vegetables	1,101	1,221	185	240	185
Fruits and nuts	760	847	155	169	164
All livestock	7,684	7,278	913	935	925
Meat animals	4,119	3,357	480	384	413
Dairy products	1,999	2,183	242	303	275
Poultry and eggs	1,417	1,604	169	220	217
Government payments	606	589	51	100	50
Total receipts including Government payments	12,567	12,932	1,741	1,905	1,878

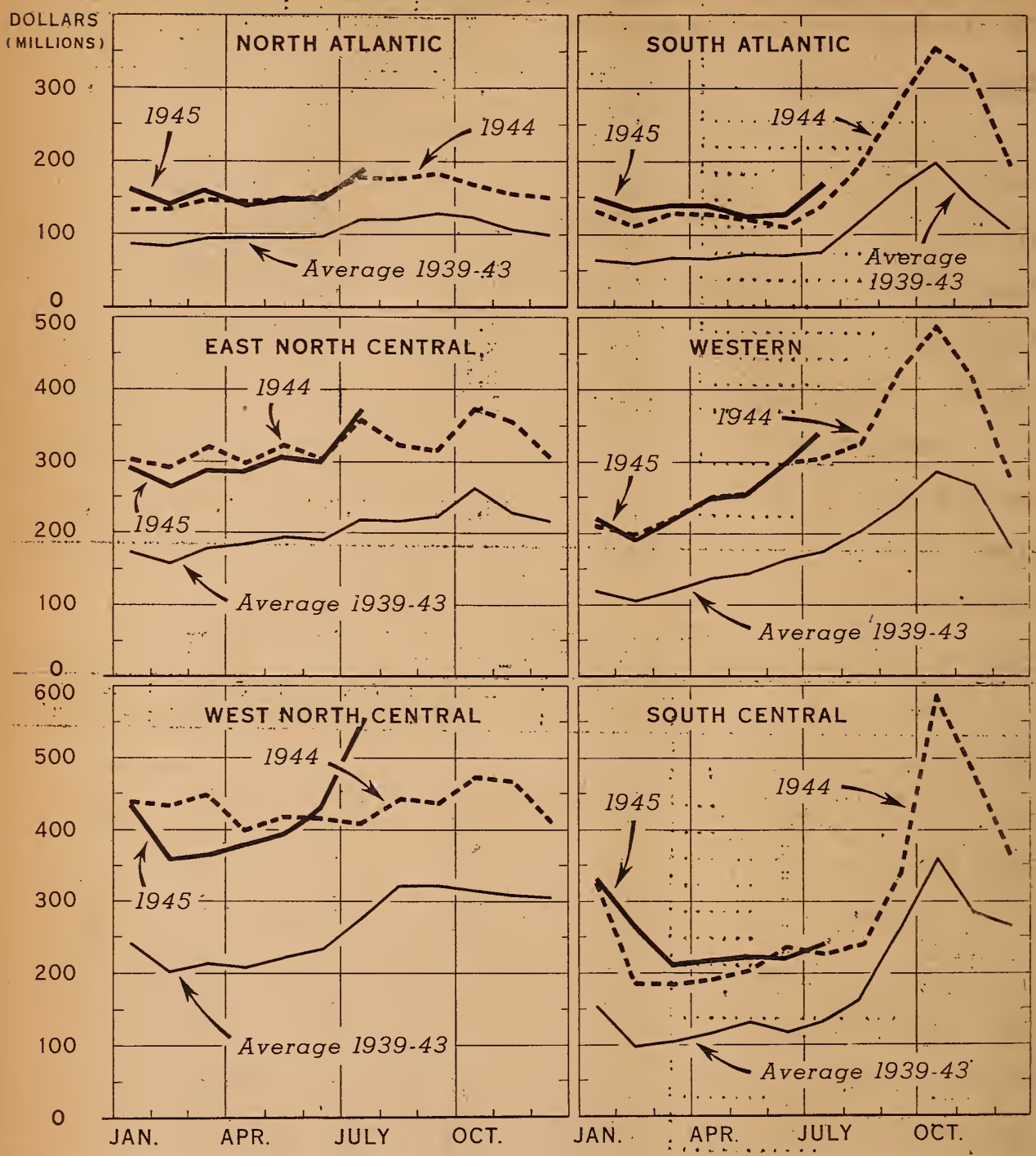
1/ Preliminary.
2/ Revised.

Index numbers of receipts 1/ and physical volume of farm marketings 1935-39 = 100

Source	August 1944	May 1945	June 1945	July 1945 2/	August 1945 3/
Receipts from farm marketings:					
Total receipts, unadjusted	254	219	230	272	275
Total receipts, adjusted 4/	261	293	287	282	275
All crops, "	272	356	331	330	310
All livestock "	254	252	258	250	251
Meat animals, "	288	246	261	241	238
Dairy products, "	202	236	235	235	229
Poultry and eggs "	265	308	307	317	341
Income of industrial workers, adjusted 5/	328	302	301	286	
Physical volume of farm marketings:					
Total volume, unadjusted	138	124	121	141	144
Total volume, adjusted 4/	133	152	148	140	139
All crops, "	105	167	159	142	135
All livestock, "	154	141	139	139	143
Meat animals, "	173	137	137	132	135
Dairy products, "	119	133	132	137	136
Poultry and eggs, "	173	176	168	175	185

1/ Not including Government payments.
2/ Revised.
3/ Preliminary
4/ Adjusted for seasonal variation.
5/ Based on Government factory workers and railroad and mining employees, adjusted for seasonal variation.

CASH RECEIPTS FROM FARM MARKETINGS, BY REGIONS, 1944-45 COMPARED WITH 1939-43 AVERAGE



U. S. DEPARTMENT OF AGRICULTURE

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most of the other livestock items, to bring about an increase of 4 percent for livestock and livestock products.

East North Central Region

A gain of over 50 percent in cash receipts from wheat in the East North Central Region during July was largely responsible for the increase of 17 percent in income from crops. Substantial increases in cash receipts from poultry and eggs and dairy products were about equaled by declines in income from other livestock products, and cash receipts from livestock and livestock products showed no significant change.

During the first seven months, cash receipts from wheat rose abruptly, but acute declines occurred in income from corn, dry edible beans, and cherries. Cash receipts from hogs dropped sharply in all States, and income from livestock and livestock products for the region declined 6 percent.

West North Central Region

Cash receipts from wheat and corn rose sharply in July over July 1944 in the West North Central Region and income from crops showed an increase of 76 percent. Cash receipts from cattle rose sharply in all States except North Dakota and Kansas.

Income from wheat, corn, grain sorghums, and soybeans made outstanding gains during the first seven months, compared with 1944, and cash receipts from crops for the region rose 39 percent. Cash receipts from hogs dropped so sharply in all States that income from livestock and livestock products for the region showed a decline of 12 percent, in spite of substantial gains for cattle, eggs, and milk.

South Atlantic Region

A sharp increase in cash receipts from tobacco in July accounted for most of the gain of 27 percent over July 1944 in income from crops. During the period January through July cash receipts from tobacco, vegetables,

cotton, and peaches increased substantially, and income from crops rose 28 percent.

South Central Region

Cash receipts from wheat dropped rather sharply, and income from crops in July was 8 percent below a year earlier. Important gains were registered in the South Central Region in cash receipts from tobacco, cotton, truck crops, and fruit during the first seven months, compared with 1944, and income from crops increased 22 percent. The sharp drop in cash receipts from hogs was nearly offset by gains in income from other species of meat animals, eggs, and dairy products, and total cash receipts from livestock and livestock products declined slightly.

Western Region

Increased income from wheat, grapes, peaches, and truck crops was the most important contribution to the gain of 16 percent over 1944 in cash receipts from crops in July.

During the first seven months, income from truck crops and fruit made greatest gains compared with last year, and cash receipts from crops rose 10 percent. Cash receipts from livestock and livestock products dropped 7 percent for the seven month period as income from hogs, calves, and butterfat declined severely.

September 28, 1945.

Canadian Agriculture

Cash Receipts from Farm Marketings in Canada

Total cash receipts from the sale of farm products in Canada during 1944 rose to 1,752 million dollars, 25 percent above 1943. Income from wheat more than doubled in 1944 compared with 1943. Acreage planted was 38 percent larger than 1943, but somewhat smaller than the 1938-42 average. Yields were 5 percent higher than in 1943. Cash receipts from oats were 8 percent less than the year before, but income from barley gained 5 percent. Cash receipts from grains, seeds, and hay were 57 percent above 1943.

Income from vegetables, including potatoes, in 1944 rose 9 percent. Potato acreage was only slightly greater than in 1943, but yields were 12 percent higher.

Cash receipts from the sale of livestock in 1944 were 570 million dollars, 14 percent above 1943. Income from hogs increased 18 percent over the year before, and cash receipts from cattle and calves made a gain of 12 percent. Income from dairy products increased 8 percent compared with 1943, and cash receipts from eggs gained 3 percent.

Cash receipts from farm marketings in Canada 1/

Item	1942	1943	1944
	Thous. dol.	Thous. dol.	Thous. dol.
Receipts from farm marketings ..	1,100,942	1,402,065	1,751,736
Wheat	144,645	206,523	438,086
Oats	26,584	66,287	60,918
Barley	24,998	58,237	61,331
Rye	1,999	5,452	5,417
Flax	22,014	31,153	18,803
Vegetables including potatoes ..	56,145	66,727	73,035
Tobacco	22,442	21,203	36,479
Corn	6,872	7,269	5,562
Cattle and calves	161,899	174,280	194,381
Sheep and lambs	10,462	11,958	12,350
Hogs	193,222	254,658	301,067
Horses	7,203	7,079	7,072
Poultry	39,332	50,999	55,627
Dairy products	218,937	243,361	264,036
Fruits	27,339	30,535	37,632
Eggs	58,599	72,383	74,747
Forest products	27,368	30,345	30,345

1/ From Quarterly Bulletin of Agricultural Statistics, January-March 1945, Dominion Bureau of Statistics, Canada.

CASH RECEIPTS FROM FARM MARKETINGS, UNITED STATES, 1939-45
COMPARED WITH 1914-21

During the two world war periods, cash receipts from farm marketings were as follows:

Year	World War I	Year	World War II
	Mil. dol.		Mil. dol.
1914	6,050	1939	7,877
1915	6,403	1940	8,343
1916	7,750	1941	11,157
1917	10,746	1942	15,316
1918	13,461	1943	19,339
1919	14,602	1944	19,790
1920	12,608	1945 1/	20,400
1921	8,150		

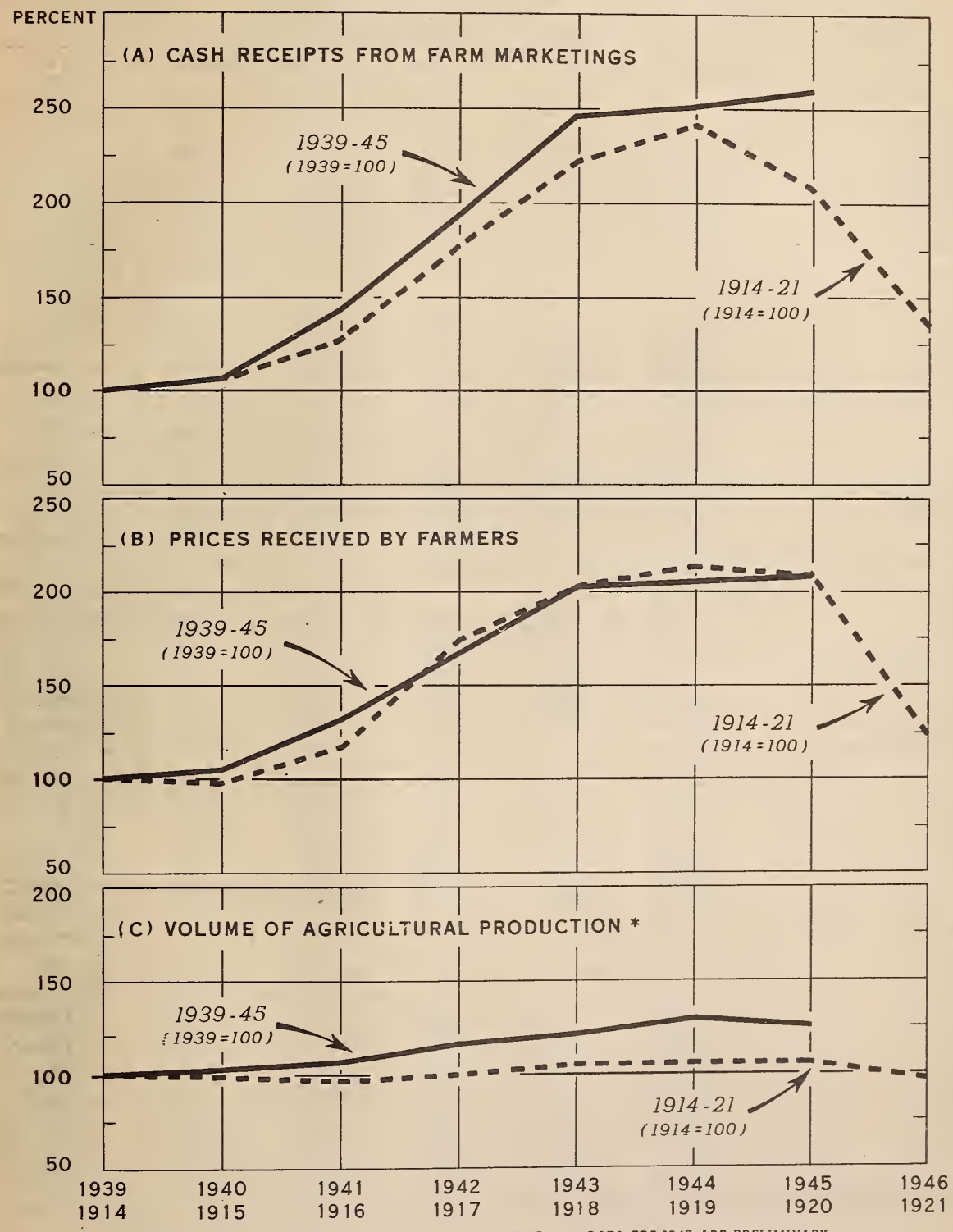
1/ Tentative.

As indicated in section (A) figure 1, the rapid percentage rise in cash receipts from farm marketings was very similar during these two periods, but somewhat greater in the more recent period. The most rapid increase occurred between 1915 and 1918 in the earlier period, and between 1940 and 1943 in the later period. In interpreting these data, it should be remembered that the starting points for the two periods were on different levels. In 1939, cash receipts from farm marketings were 30 percent higher than in 1914; prices received by farmers, 6 percent lower; and volume of agricultural production, 23 percent higher.

Prices received by farmers increased according to the same general pattern during the two periods. The fastest rise in the earlier period was between 1916 and 1918, to a level 102 percent higher than 1914; there was little change from 1918 to 1920. In the later period, the sharpest increase occurred between 1941 and 1943, to a level 102 percent higher than 1939, with a leveling off between 1943 and 1945.

In the World War II period, volume of agricultural production played a greater part, and prices a smaller part, in bringing about increased cash receipts, than in the World War I period. Not only was there a greater percentage increase in volume of production in the second period than in the first, but gains were greater in absolute terms, because the volume was higher at the beginning of the second period than at any time during the first period. Consistently large gains brought volume of production in 1944 to 28 percent above 1939, followed by a slight decline in 1945. In the earlier period, volume of production did not begin to increase until 1917, reaching a peak in 1920 only 7 percent above 1914.

CASH RECEIPTS, PRICES RECEIVED BY FARMERS, AND VOLUME OF AGRICULTURAL PRODUCTION, INDEX NUMBERS, UNITED STATES, 1914-21 AND 1939-45



* FOR SALE AND FOR CONSUMPTION IN THE FARM HOME DATA FOR 1945 ARE PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 45572 BUREAU OF AGRICULTURAL ECONOMICS

Table 2. - *Cash receipts from farm marketings, by States, July 1944 - 1945.*

STATE	CROPS		LIVESTOCK AND LIVESTOCK PRODUCTS		TOTAL	
	JULY		JULY		JULY	
	1944	1945	1944	1945	1944	1945
	1,000 dollars	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*
Maine	2,422	2,252	3,885	4,282	6,307	6,534
New Hampshire	632	659	2,436	3,065	3,068	3,724
Vermont	364	408	5,513	6,306	5,877	6,714
Massachusetts	1,492	1,490	6,567	8,050	8,059	9,540
Rhode Island	1,066	1,180	845	989	1,911	2,169
Connecticut	4,335	4,658	5,291	6,295	9,626	10,953
New York	21,145	22,237	38,889	38,209	60,034	60,446
New Jersey	29,307	32,148	8,203	8,942	37,510	41,090
Pennsylvania	12,362	13,171	31,107	33,031	43,469	46,202
North Atlantic	*73,125*	*78,203*	*102,736*	*109,169*	*175,861*	*187,372*
Ohio	28,165	40,333	40,172	38,842	68,337	79,175
Indiana	18,495	27,502	43,177	38,631	61,672	66,133
Illinois	40,194	47,972	58,443	55,366	98,637	103,338
Michigan	28,268	20,601	26,092	27,250	54,360	47,851
Wisconsin	19,452	20,959	52,112	58,794	71,564	79,753
East North Central	*134,574*	*157,367*	*219,996*	*218,883*	*354,570*	*376,250*
Minnesota	10,663	15,138	46,700	54,579	57,363	69,717
Iowa	13,304	21,690	98,399	104,659	111,703	126,349
Missouri	16,992	19,581	47,607	50,903	64,599	70,484
North Dakota	7,853	16,137	12,223	12,764	20,076	28,901
South Dakota	5,908	13,349	18,199	21,505	24,107	34,854
Nebraska	10,332	42,662	32,719	38,335	43,051	80,997
Kansas	55,603	83,552	30,720	29,529	86,323	113,081
West North Central	*120,655*	*212,109*	*286,567*	*312,274*	*407,222*	*524,383*
Delaware	3,111	3,136	6,575	7,506	9,686	10,642
Maryland	23,709	27,313	7,819	8,051	31,528	35,364
Virginia	9,854	12,464	12,538	12,623	22,392	24,087
West Virginia	1,633	1,274	5,322	5,501	6,955	6,775
North Carolina	13,216	12,101	7,860	9,438	21,076	21,539
South Carolina	6,933	11,256	2,847	3,168	9,780	14,424
Georgia	21,390	35,568	7,241	9,026	28,631	44,594
Florida	3,240	3,719	3,811	4,887	7,051	8,606
South Atlantic	*83,086*	*105,831*	*54,013*	*60,200*	*137,099*	*166,031*
Kentucky	5,737	5,963	18,628	18,318	24,365	24,281
Tennessee	10,023	11,200	13,068	14,131	23,091	25,331
Alabama	3,917	5,394	5,574	6,098	9,491	11,492
Mississippi	4,202	2,820	7,110	7,194	11,312	10,014
Arkansas	11,384	12,169	9,517	8,710	20,901	20,879
Louisiana	1,518	2,030	4,535	4,934	6,053	6,964
Oklahoma	28,363	20,686	23,483	23,477	51,846	44,163
Texas	33,535	30,121	44,257	47,647	77,792	77,768
South Central	*98,679*	*90,383*	*126,172*	*130,509*	*224,851*	*220,892*
Montana	6,047	6,878	6,478	5,810	12,525	12,688
Idaho	4,589	5,341	9,501	9,340	14,090	14,681
Wyoming	533	661	3,620	3,251	4,153	3,912
Colorado	6,848	13,836	9,805	8,625	16,653	22,461
New Mexico	3,484	3,480	2,567	2,774	6,051	6,254
Arizona	6,815	6,613	2,210	2,685	9,025	9,298
Utah	4,830	5,771	4,428	4,828	9,258	10,599
Nevada	432	362	1,041	1,149	1,473	1,511
Washington	22,665	25,230	13,251	12,046	35,916	37,276
Oregon	9,205	10,714	10,947	10,035	20,152	20,749
California	128,753	147,153	44,138	43,038	172,891	190,191
Western	*194,201*	*226,039*	*107,986*	*103,581*	*302,187*	*329,620*
U. S. Cash Receipts	*704,320*	869,932	*897,470*	*934,616*	*1,601,790*	1,804,548

Table 3. - *Cash receipts from farm marketings, by States, January - July 1944 - 45.*

STATE	CROPS		LIVESTOCK AND LIVESTOCK PRODUCTS		TOTAL	
	JANUARY - JULY[1]		JANUARY - JULY		JANUARY-JULY	
	1944	1945	1944	1945	1944	1945
	1,000 dollars	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*	*1,000 dollars*
Maine	56,312	56,473	24,421	26,990	80,733	83,463
New Hampshire	3,971	3,881	16,120	19,302	20,091	23,183
Vermont	7,328	5,532	35,935	40,461	43,263	45,993
Massachusetts	20,944	26,929	45,118	52,695	66,062	79,624
Rhode Island	2,291	2,492	6,162	6,636	8,453	9,128
Connecticut	15,766	30,234	36,352	40,594	52,118	70,828
New York	95,191	99,329	250,130	257,432	345,321	356,761
New Jersey	50,201	55,774	57,898	59,908	108,099	115,682
Pennsylvania	64,447	74,309	227,529	226,835	291,976	301,144
North Atlantic	*316,451*	*354,953*	*699,665*	*730,853*	*1,016,116*	*1,085,806*
Ohio	99,623	113,611	303,586	292,621	403,209	406,232
Indiana	76,230	84,627	303,580	277,005	379,810	361,632
Illinois	199,681	203,791	482,637	438,459	682,318	642,250
Michigan	88,327	79,316	185,692	183,637	274,019	262,953
Wisconsin	50,777	51,761	395,368	384,963	446,145	436,724
East North Central	*514,638*	*533,106*	*1,670,863*	*1,576,685*	*2,185,501*	*2,109,791*
Minnesota	61,943	77,507	412,489	376,310	474,432	453,817
Iowa	127,909	132,510	849,751	711,519	977,660	844,029
Missouri	55,471	63,633	318,582	301,861	374,053	365,494
North Dakota	72,770	102,914	77,711	65,531	150,481	168,445
South Dakota	31,088	56,349	150,708	125,166	181,796	181,515
Nebraska	81,703	146,459	315,386	272,269	397,089	418,728
Kansas	143,297	221,300	253,061	231,096	396,358	452,396
West North Central	*574,181*	*800,672*	*2,377,688*	*2,083,752*	*2,951,869*	*2,884,424*
Delaware	7,284	7,860	43,360	43,710	50,644	51,570
Maryland	41,197	56,800	58,813	58,167	100,010	114,967
Virginia	47,141	64,093	84,542	79,865	131,683	143,958
West Virginia	8,451	7,207	30,058	29,403	38,509	36,610
North Carolina	70,130	88,683	60,409	60,348	130,539	149,031
South Carolina	41,597	60,257	24,955	24,285	66,552	84,542
Georgia	69,303	97,341	55,925	62,667	125,228	160,008
Florida	180,997	212,913	29,714	34,350	210,711	247,263
South Atlantic	*466,100*	*595,154*	*387,776*	*392,795*	*853,876*	*987,949*
Kentucky	104,679	157,502	105,343	99,477	210,022	256,979
Tennessee	69,405	83,207	96,875	84,795	166,280	168,002
Alabama	39,637	54,375	41,673	43,235	81,310	97,610
Mississippi	51,491	69,250	45,261	44,864	96,752	114,114
Arkansas	52,836	65,808	66,243	59,770	119,079	125,578
Louisiana	47,671	50,668	35,754	35,929	83,425	86,597
Oklahoma	73,721	93,098	147,623	136,591	221,344	229,689
Texas	244,289	263,133	319,133	337,767	563,422	600,900
South Central	*683,729*	*837,041*	*857,905*	*842,428*	*1,541,634*	*1,679,469*
Montana	39,824	50,777	51,884	46,564	91,708	97,341
Idaho	49,953	56,546	63,293	57,497	113,246	114,043
Wyoming	6,149	5,812	25,966	21,946	32,115	27,758
Colorado	44,915	46,568	99,613	80,917	144,528	127,485
New Mexico	11,668	15,784	23,354	24,220	35,022	40,004
Arizona	57,771	61,474	25,630	25,665	83,401	87,139
Utah	12,689	12,940	37,015	37,256	49,704	50,196
Nevada	2,000	1,686	9,518	10,401	11,518	12,087
Washington	114,542	129,139	80,873	78,504	195,415	207,643
Oregon	46,909	50,719	62,544	59,178	109,453	109,897
California	558,203	610,009	297,859	283,721	856,062	893,730
Western	*944,623*	*1,041,454*	*777,549*	*725,869*	*1,722,172*	*1,767,323*
U. S. Cash Receipts	3,499,722	4,162,380	6,771,446	6,352,382	10,271,168	10,514,762

[1] [1]Revised estimates of cash receipts from crops for June 1945 as published in the August 1945 issue of The Farm Income Situation (in thousands of dollars) are: Connecticut 1815, New York 9516, New Jersey 7046, Pennsylvania 8109.